



General Assembly

January Session, 2001

Amendment

LCO No. 7517

Offered by:

REP. MCDONALD, 148th Dist.

To: Subst. House Bill No. 6880

File No. 636

Cal. No. 444

"AN ACT UPDATING PROVISIONS RELATING TO THE UTILITY COMPANIES' GROSS EARNINGS TAX."

1 After line 480, insert the following and renumber the remaining
2 sections accordingly:

3 "Sec. 5. Subdivision (2) of subsection (b) of section 12-587 of the
4 general statutes is repealed and the following is substituted in lieu
5 thereof:

6 (2) Gross earnings derived from the first sale of the following
7 petroleum products within this state shall be exempt from tax: (A) Any
8 petroleum products sold for exportation from this state for sale or use
9 outside this state; (B) the product designated by the American Society
10 for Testing and Materials as "Specification for Heating Oil D396-69",
11 commonly known as number 2 heating oil, to be used exclusively for
12 heating purposes or to be used in a commercial fishing vessel, which
13 vessel qualifies for an exemption pursuant to section 12-412; (C)
14 kerosene, commonly known as number 1 oil, to be used exclusively for
15 heating purposes, provided delivery is of both number 1 and number 2

16 oil, and via a truck with a metered delivery ticket to a residential
17 dwelling or to a centrally metered system serving a group of
18 residential dwellings; (D) the product identified as propane gas, to be
19 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
20 fuel, marine diesel oil and marine gas oil to be used in any vessel
21 having a displacement exceeding four thousand dead weight tons; (F)
22 for any first sale occurring prior to January 1, [2000] 2005, propane gas
23 to be used as a fuel for a motor vehicle; (G) for any first sale occurring
24 on or after July 1, 2002, grade number 6 fuel oil, as defined in
25 regulations adopted pursuant to section 16a-22c, to be used exclusively
26 by a company which, in accordance with census data contained in the
27 Standard Industrial Classification Manual, United States Office of
28 Management and Budget, 1987 edition, is included in code
29 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the
30 North American Industrial Classification System United States
31 Manual, United States Office of Management and Budget, 1997 edition;
32 or (H) for any first sale occurring on or after July 1, 2002, number 2
33 heating oil to be used exclusively in a vessel primarily engaged in
34 interstate commerce, which vessel qualifies for an exemption under
35 section 12-412.

36 Sec. 6. Subsection (a) of section 12-264 of the general statutes is
37 repealed and the following is substituted in lieu thereof:

38 (a) Each (1) Connecticut municipality or department or agency
39 thereof, or Connecticut district, manufacturing, selling or distributing
40 gas or electricity to be used for light, heat or power, in this chapter and
41 in chapter 212a called a "municipal utility", (2) company the principal
42 business of which is manufacturing, selling or distributing gas or
43 steam to be used for light, heat or power, including each foreign
44 municipal electric utility, as defined in section 12-59 and given
45 authority to engage in business in this state pursuant to the provisions
46 of section 16-246c, and (3) company required to register pursuant to
47 section 16-258a shall pay a quarterly tax upon gross earnings from
48 such operations in this state. Gross earnings from such operations
49 under subdivisions (1) and (2) of this subsection shall include (A) all

50 income classified as operating revenues by the Department of Public
51 Utility Control in the uniform systems of accounts prescribed by said
52 department for operations within the taxable quarter and, with respect
53 to each such company, (B) all income classified in said uniform
54 systems of accounts as income from merchandising, jobbing and
55 contract work, (C) income from nonutility operations, (D) revenues
56 from lease of physical property not devoted to utility operation, and
57 (E) receipts from the sale of residuals and other by-products obtained
58 in connection with the production of gas, electricity or steam. Gross
59 earnings from such operations under subdivision (3) of this subsection
60 shall be gross income from the sales of natural gas. Gross earnings of a
61 gas company, as defined in section 16-1, shall not include income
62 earned in a taxable year commencing prior to [January 1, 2002] October
63 1, 2005, from the sale of natural gas or propane as a fuel for a motor
64 vehicle. No deductions shall be allowed from such gross earnings for
65 any commission, rebate or other payment, except a refund resulting
66 from an error or overcharge and those specifically mentioned in
67 section 12-265. Gross earnings of a company as described in
68 subdivision (2) of this subsection shall not include income earned in
69 any taxable quarter commencing on or after July 1, 2000, from the sale
70 of steam.

71 Sec. 7. Section 5 of this act shall be applicable to first sales occurring
72 prior to January 1, 2005, of propane gas to be used as a fuel for a motor
73 vehicle, but no interest shall be allowed or paid on any overpayment
74 resulting from the application of said section to such sales occurring
75 after January 1, 2000, but prior to July 1, 2001."

76 In line 483, after "date", insert ", except that section 5 shall be
77 effective January 1, 2000"